

Immo Tax Consulting - cutting tax costs



A new company on the Belgian real estate scene aims to ensure that property owners do not pay too much tax to the various administrations across the three regions of the country. Bernadette Bouckaert, founder and Managing Director, assists landlords in contesting tax bills on their properties, which may be too high, and in recovering taxes incorrectly paid on empty space. She points out that in a highly competitive market – whether office buildings, shopping centres or others – the cost per square metre is crucial.

So how did Bernadette Bouckaert come to found her new company? We asked her: "I had been working for Alma Consulting Group, a French company which wished to open an office in Belgium. One of the objectives of this company was the optimisation of the tax bill on buildings. I began with Alma in 2002. I left Alma amicably, and decided to set up my own business in the same domain, with the possible addition of providing the same service for large blocks of apartments owned by a single landlord – not multi-owned complexes. And I had realised that large landlords do not have the time to become fiscal experts – especially when in Belgium, all three regions have different laws in this respect. And the traditional agents generally do not provide this service, with one or two exceptions".

What do you do in concrete terms for your clients?

"I would point to one case in particular to illustrate why my work is so vital. When a landlord comes to sell a building to an investor, the investor will want to check that along with all the other criteria, the building is competitive in its marketplace, from a fiscal point of view too. And the cadastral charges in Belgium are still based on a law which was passed in 1975. Values have changed over the intervening forty years, and although the law specified that the values should be revised every ten years, it has never been done and I doubt whether it will be done any time soon. So you receive a proposal for the cadastral value which is worked out by someone in the administration who has to try and come up with the right figure based on a 1975 valuation... The index used to calculate the tax payable is now 1.7 times what it was in 1975 to take account of the higher cost of living, but then the building value is recalculated to a current level too. So you can end up being asked to pay 1.7 times the tax, on an estimated up-to-date value. There is therefore a high margin for manoeuvre in contesting the amount of tax being asked for".

What about vacancy?

Vacancy is another important point, and again the regional differences are substantial. In Flanders you can recover tax from five years back, but you have to claim by March 31st of the following year. In Wallonia, you can recover one year's tax and in Brussels you can hardly do anything retrospectively. Landlords cannot be aware of, and act on, all this by themselves".